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**Report Name:** Unlocking Opportunities in Chinas 170 Billion Dollar Beverage Market

**Country:** China - People's Republic of

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**Report Highlights:**

China's beverage market surpassed \$170 billion in 2024, reflecting a year-on-year growth rate of over six percent. The category includes non-alcoholic beverages, ranging from bottled water, juices, and carbonated drinks to tea and functional beverages. Offline channels account for 90.6 percent of sales, though e-commerce is expanding rapidly, driven by livestreaming and social media promotions. Private label products, functional beverages, and innovative flavor drinks continue to lead market growth, with rising demand for low-sugar, plant-based, and modernized heritage flavors. Opportunities exist for U.S. products, particularly in functional drinks, plant-based beverages, and cross-cultural fusion offerings, as well as unique ingredients like tart cherry syrup and cranberry juice in tea and beverage shops, which are increasingly utilized in tea and beverage stores across China.

## Overview

China's beverage market, which includes non-alcoholic beverages ranging from bottled water, juices, and carbonated drinks to tea and functional beverages, surpassed \$170 billion in 2024 - reflecting a year-on-year growth rate of over six percent. As the world's second-largest soft beverage market, it accounts for 12.7 percent of global consumption.

Packaged drinking water remains the largest segment, followed by ready-to-drink tea which, for the first time surpassed carbonated drinks to occupy the second position. Currently, offline channels dominate beverage sales in China, accounting for 90.6 percent of the market share.

In the beverage industry, packages ranging from 400 to 600 ml are the most popular size due to their portability. However, Nielsen's 2024 China Beverage Industry Trends and Outlook report highlights a growing preference for large packages, ranging from 600ml to 1,250ml. This shift is driven by economic pressures, as larger packages offer better value. Environmentalists are also increasingly inclined toward larger packaging, which helps reduce the use of plastic bottles.

Additionally, some consumers have started opting for low-sugar or sugar-free **teas** as alternatives to drinking water.

The ready-to-drink tea and beverage shop market is experiencing remarkable growth. Leading brands in this sector include MIXUE Ice Cream & Tea, Good Me, Cha Bai Dao, Auntea Jenney, and INM. Industry research indicates that the market size of China's ready-to-drink tea and beverage shops will exceed \$49 billion in 2024, reflecting a year-on-year growth rate of 6.4 percent. By 2028, the market size is projected to exceed \$55 billion. Cities such as Beijing, Changsha, and Hangzhou have shown rapid growth - with tea and beverage shop expansion rates exceeding 15 percent. Meanwhile, at the end of 2024, Guangzhou, Shenzhen, and Shanghai were expected to host over 10,000 tea and beverage shops.

### **China Beverage Market Snapshot**

- Total beverage market size surpassed \$170 billion in 2024.
- Beverage market is expected to grow six percent year-on-year.
- **Beverage Areas for Growth**
  - Private label products
  - Ready-to-drink tea
  - Functional drinks
  - Drinks with Chinese elements
- **Top 5 Beverage Companies in China:** Yangshengtang; Coca-Cola; Ting Hsin International Group; China Resources; PepsiCo
- **Top 10 China Retailers** Wal-Mart; Yonghui; RT-Mart; CR-Vanguard; Hema Fresh; Wu-Mart; Lianhua Supermarket; Jiajiayuan; Zhongbai; Qiandama

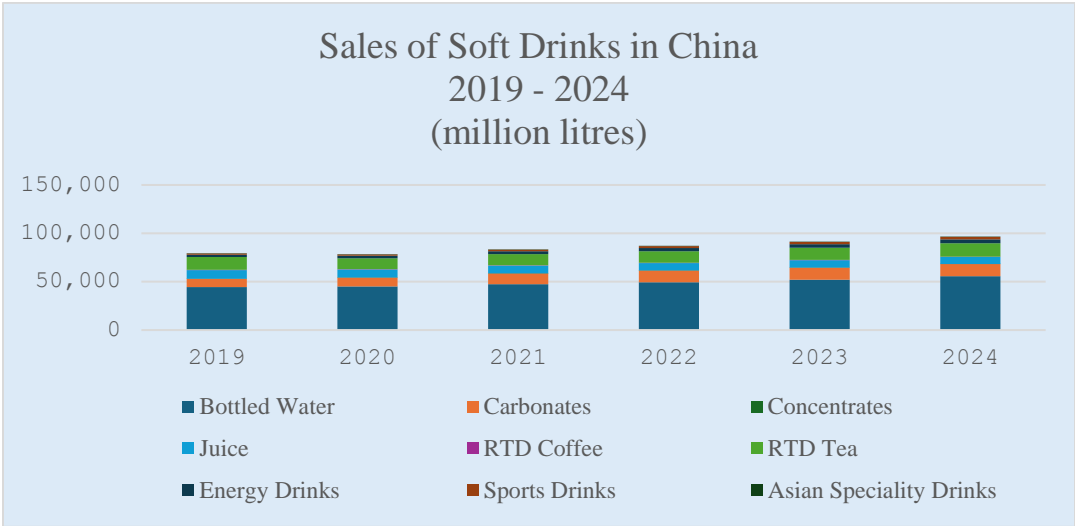
**Source: Euromonitor**

**Juice** remains a key segment of the beverage market, with orange juice and apple juice remaining staple choices among consumers. However, demand for health-enhancing juices, such as prune juice, blueberry juice, pomegranate juice, and fruit-and-vegetable blends, is rising rapidly, driven by increasing health consciousness. Additionally, there is a growing appreciation for tart flavors, such as cranberry, which align with traditional Chinese taste preferences—balancing sweetness with perceived health benefits.

Health-conscious consumers are driving demand for Not-From-Concentrate (NFC) and High-Pressure Processed (HPP) juices. These premium juice categories now account for more than 45 percent of the market, growing at a significantly faster rate than traditional juice products. When making purchasing decisions, 75 percent of consumers prioritize products labeled as 100 percent pure juice, favoring options that are low in sugar, made entirely from fruit, and offer superior flavor.

**Functional drinks** or beverages that provide benefits beyond basic nutrition often contain ingredients like vitamins, minerals, and probiotics to allegedly support energy, digestion, and immunity function, are increasingly gaining traction in the market. They encompass both sports drinks and energy drinks, with sports drinks accounting for over 66 percent of the market and energy drinks comprising 32 percent. Over the past decade, sports drinks have experienced a higher growth rate compared to the overall soft drink category and have also outpaced energy drinks in expansion. The primary consumers of sports drinks are men with an active interest in sports. Regarding packaging trends, while bottled water and tea have shifted toward larger formats, sports drinks remain predominantly available in portable sizes ranging from 250ml to 400ml. Products’ prices around \$1 are the most popular among consumers.

According to industry data, plant-based beverages make up more than ten percent of the soft drink market and are growing at a faster rate than carbonated beverages, driven by growing consumer demand for healthier options. Soy-based drinks currently dominate the market, while coconut-based beverages represent the fastest-growing segment, with many Chinese retailers introducing private-label offerings in this space. Meanwhile, low-sugar, high-protein nut-based beverages, such as almond milk and walnut milk, along with cereal-based options like oatmeal milk, continue to gain popularity.



Source: Euromonitor

**Product Categories and Target Demographics:**

Product	Demographic
Bottled Water	Appeals to a broad demographic, particularly to customer groups that value portability and safety. Additionally, segments, such as mothers and children, that have exceptionally high standards and strict requirements for drinking water.
Juice	Low-concentration juices appeal to children and teenagers due to their pleasant flavor. In contrast, 100% fruit juice is primarily favored by health-conscious consumers seeking natural and wholesome beverage options.
Carbonated Beverages	The product appeals to a broad consumer base and especially young consumers. As health awareness continues to grow, an increasing number of consumers are opting for sugar-free carbonated beverages.
Ready-to-Drink Tea	The consumer base primarily consists of young people, with a significant portion being under 30 years old. Women make up approximately 60% of this group.
Functional Drinks (including energy drinks)	Urban white-collar workers and consumers pursuing a health lifestyle, including sports and fitness enthusiasts, with a higher percentage of male consumers than female.

**Market Trend**

Consumption downgrading has added new challenges to the development of the beverage industry. However, health, function and innovative flavors are emerging as key drivers shaping the industry’s trajectory in 2024.

**1) Health Trends**

Consumers are increasingly attentive to ingredient lists, showing a stronger preference for low-sugar or sugar-free beverages. Offline sales of sugar free tea in China surged by 80 percent year-on-year, vastly outpacing the overall growth rate of the beverage industry. Beverages prominently featuring “zero sugar” on packaging are especially popular.

China’s fruit and vegetable juice market is projected to grow at a compound annual growth rate (CAGR) of five percent over the next five years with the market size expected to exceed \$28 billion

by 2027. Ingredients like carrots, avocados, bitter melon, chia seeds, and kale -which have recently gained significant traction – are becoming staples of healthy beverages.

The demand for plant-based drinks is growing rapidly. Coconut water, in particular, is gaining popularity, with many retailers developing private label products. The market size for coconut water is projected to exceed \$1 billion by 2025. Meanwhile, birch tree juice is emerging as a noteworthy newcomer in the industry.

## 2) Functional Beverages

Functional beverages, including energy drinks, electrolyte water, and mood-enhancing drinks, are seeing strong demand from younger consumers and sports enthusiasts. China has outpaced global trends in the functional drinks sector, achieving a remarkable CAGR of 26 percent, far exceeding the global average of 7 percent. In 2024, China's energy drink market exceeded \$15 billion, with a CAGR of approximately seven percent. The market size is expected to grow to \$25 billion by 2029. With per capita consumption still less than one-third of that in Europe and the United States, significant growth potential remains.

## 3) Innovative Flavors

To cater to the diverse taste preferences of consumers and the growing demand among young people for innovative flavors, many new and creative beverages have entered the market. These include complex flavor combinations, such as tropical fruit beverages, plant-based drinks and various flavors of ready-to-drink teas. Tea shop brands like Heytea and Naixue have launched bottled versions of popular flavors such as "Super Lemon Tea" and "Ya Shi Xiang Lemon Tea," extending the success of freshly made tea drinks into retail channels and accelerating the expansion of the ready-to-drink tea market. Chinese-style plant-based ready-to-drink beverages are gaining momentum in the market. Juices incorporating traditional Chinese nourishing ingredients such as longan, goji berry, red dates, barley, mung beans, and red beans are resonating with local consumers who value the health benefits. The official approval of U.S. ginseng as a food ingredient in China in November 2023 opens new market opportunities for this product in the fast-growing beverage sector.



Ginseng Water

## Distribution Channels

Offline channels dominate the beverage market, accounting for over 90 percent of sales. Supermarkets, convenience stores, and mom-and-pop kiosks serve as the primary purchase channels for consumers. Although e-commerce in China is expanding at a faster rate than offline channels, online sales still constitute less than ten percent of total beverage sales due to the high transportation costs associated

with these products. However, the online channel is expanding rapidly, with a compound annual growth rate of 14 percent, and is expected to sustain strong growth over the next five years. Livestreaming and social media platforms, such as Dou Yin (Tik Tok in China) and Xiao Hong Shu (Little Red Book) are playing an increasingly important role in promoting new brands and products (see [Navigating China's Social Media Landscape](#)). Beverage sales on Dou Yin have outpaced the platform's overall growth rate for three consecutive years, with its user base exceeding 700 million. In 2024, sales surged by 65.2 percent. Young consumers, who are particularly active on social media, are driving demand for innovative offerings. (Users of Chinese owned applications should review this [Data Security Business Advisory](#) from the Department of Homeland Security.)

To deliver high-quality and competitively priced products, retailers are actively developing private label beverages. Membership-based retail chains, in particular, focus on private label products, with 100 percent pure fruit juices, lemonade drinks, and packaged water standing out as the most popular choices. For example, Sam's Club's private label 100 percent pure fruit juice achieved an impressive sales growth rate of 11.7 percent in 2024.

The hotel and restaurant industry (HRI) channels, especially barbecue and hotpot venues, are emerging as a high-impact sales and trial platform for beverage brands. This channel enables rapid consumer exposure, real-time feedback, and a clear read on repurchase intent, making it an effective launchpad for new product introductions.

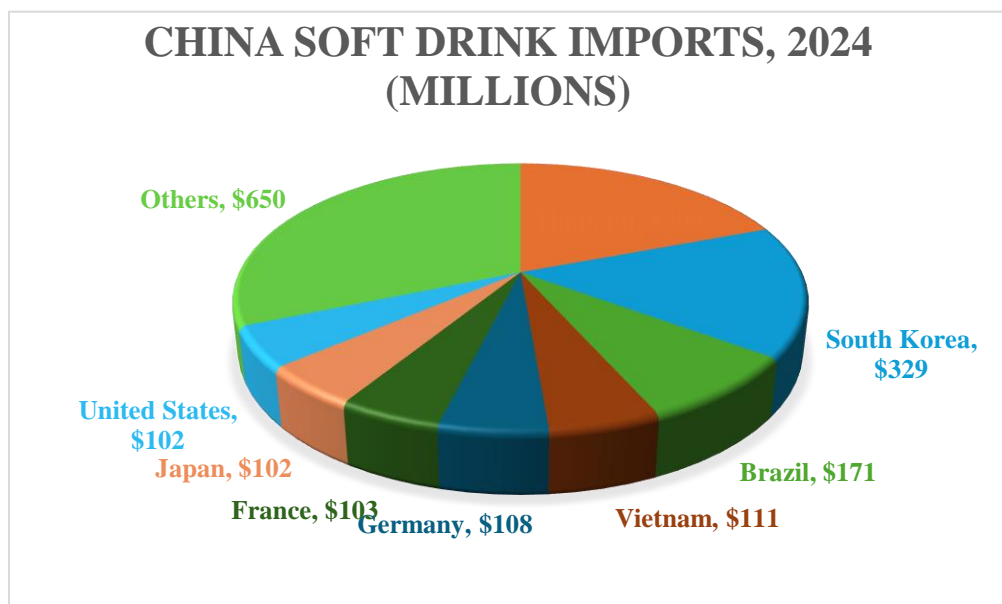
## Competition

China's beverage market is large, fast-moving, and fiercely competitive, with product segments evolving to match consumer preferences. While the packaged water category is highly saturated and price-driven, segments such as functional beverages, plant-based drinks, and ready-to-drink teas offer stronger growth potential. These categories are propelled by rising demand for health-conscious options. In particular, low-sugar and naturally formulated products are gaining traction—offering brands a chance to differentiate in less saturated spaces compared to traditional soft drinks.

Beyond domestic production, China imports a wide variety of beverages from around the world. Currently, Europe supplies packaged water, fruit juices, and functional beverages, while Japan and South Korea contribute tea-based drinks, fruit juices, and functional beverages. Meanwhile, Southeast Asian countries dominate the coconut water and tropical fruit juice segment, holding 50% of the market share, largely due to competitive pricing and attractive packaging designs.

Market segmentation highlights the distinct positioning of imported beverages. Products from Europe and Japan primarily target the high-end market, whereas Southeast Asian and South Korean beverages are more affordable. Industry data indicates that imported beverages priced between \$1.4 and \$2.2 per 300 to 340 ml are the most popular. Beverages priced above \$3 per bottle often face consumer resistance, prompting trading-down or brand switching. On the other end, products priced below \$1 may

raise concerns about quality or authenticity, limiting their appeal. Striking the right price-to-value balance is key to capturing trust and driving trial.



**Source: TDM**

U.S. beverage products are widely recognized for their high quality and stringent food safety standards. Over years of market expansion, key U.S. beverages—including iced tea, cranberry juice, and prune juice—have gained significant consumer awareness in China. Additionally, plant-based beverages such as oat milk and almond milk have found strong appeal. However, cold chain logistics requirements have constrained the reach of U.S. juice products, limiting penetration beyond first- and second-tier cities.

In addition to packaged beverages, U.S. beverage ingredients present both opportunities and challenges in China's expanding tea and beverage store sector. Ingredients like U.S. tart cherry syrup and concentrated cranberry juice, valued for their distinct flavors and superior quality, are increasingly finding applications in these chains. Several prominent brands are developing new product offerings featuring these U.S. ingredients. However, cost-conscious operations lead many beverage chains to favor Egyptian oranges and domestic lemons, presenting price-based barriers for U.S. citrus products.

Despite these challenges, the Chinese beverage market presents opportunities for niche and innovative products, including:

- Premium ready-to-drink teas offering authentic flavors with modern convenience
- Sustainable and eco-friendly packaging solutions
- Functional beverages with added health benefits
- Plant-based drinks, catering to dietary preferences and health-conscious consumers
- Cross-cultural fusion beverages combining Western and Asian flavors



These emerging segments should not be overlooked by U.S. exporters, as they hold significant growth potential and consumer appeal.

\*Currently, U.S. products face tariffs in the China market. For the most up-to-date information on tariffs, please see [FAS' GAIN reports](#). As of May 2025, USDA GAIN Report [Tariff Rates Updates following May 12 Joint US-China Statement](#) includes the most recent tariff rates.

### Market Entry Tips

- **Highlight Quality:** Emphasize superior ingredients, craftsmanship and traceable sourcing to differentiate premium products.
- **Sustainability Appeal:** Introduce eco-friendly products lines with biodegradable packaging, carbon-neutral production processes, or sustainably sourced ingredients.
- **Personalization and Exclusivity:** Offer customization options or limited-edition releases to build exclusivity and appeal to affluent buyers.
- **Strategic Pricing:** Premium pricing should communicate value while remaining competitive. Consider price tiers within the premium category to capture different levels of willingness to pay.

### Major Trade Shows Related Beverage in China

China remains a high-potential market for beverage exporters, driven by strong consumer demand for imported and differentiated products. Participating in trade shows offers U.S. brands a strategic opportunity to build visibility, connect with local buyers, and lay the groundwork for long-term market entry. Maintaining a presence is key to staying competitive as market conditions evolve. Major beverage trade show in China include:

- China International Import Expo (CIIE) – Shanghai, November 2025
- Salon International de L'alimentation (SIAL) - Shanghai, May 2026
- Anuga Select China – Shenzhen, April 2026
- Food and Drink Fair – Chengdu, Sichuan Province, March 2026

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**Attachments:**

No Attachments.